

D18A18
Governor's Office for Children

Operating Budget Data

(\$ in Thousands)

	<u>FY 07</u> <u>Actual</u>	<u>FY 08</u> <u>Working</u>	<u>FY 09</u> <u>Allowance</u>	<u>FY 08-09</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Fund	\$1,587	\$1,566	\$2,104	\$538	34.3%
Federal Fund	97	1,048	1,042	-6	-0.6%
Reimbursable Fund	<u>272</u>	<u>366</u>	<u>0</u>	<u>-366</u>	<u>-100.0%</u>
Total Funds	\$1,957	\$2,980	\$3,146	\$166	5.6%

- The fiscal 2009 allowance increases by \$166,000 representing a 5.6% increase. The underlying fiscal 2009 budget change, absent health insurance and Other Post Employment Benefits funding which distorts year-to-year comparisons is \$35,160, or 1.25%.

Personnel Data

	<u>FY 07</u> <u>Actual</u>	<u>FY 08</u> <u>Working</u>	<u>FY 09</u> <u>Allowance</u>	<u>FY 08-09</u> <u>Change</u>
Regular Positions	19.00	21.50	21.50	0.00
Contractual FTEs	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Personnel	19.00	21.50	21.50	0.00

Vacancy Data: Regular Positions

Turnover, Excluding New Positions	0.65	3.00%
Positions Vacant as of 12/31/07	4.50	20.93%

- Changes in regular positions net to zero with 1 position transferred from the Maryland State Department of Education (MSDE) in the fiscal 2009 allowance offset by the abolition of 1 vacant position as a cost containment action. The MSDE position is expected to be transferred back to MSDE in a supplemental budget.
- There were 4.5 positions vacant as of December 31, 2007. One of these is abolished in the fiscal 2009 allowance. A half-time Assistant Attorney General position is new in fiscal 2008. The remaining three positions have been vacant for less than 12 months.

Note: Numbers may not sum to total due to rounding.

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Analysis in Brief

Major Trends

Maryland’s Babies Will Be Born Healthy: In calendar 2006 the rates for both infant mortalities and low birth weight babies increased slightly from calendar 2005.

Maryland’s Children and Youth Will Be Healthy: The percentage of Maryland children aged 13 to 35 months that were fully immunized decreased slightly in calendar 2006. The general trend for immunizations has been upwards for both Maryland and the United States over the past 10 years.

Issues

Resource Plan for Out-of-home Placements Highlights Need for Resource Development in Underserved Areas of the State: The second annual Resource Plan for Out-of-home Placements was released October 1, 2007, as required by statute. The plan presents data showing that many parts of the State lack adequate resources to allow children in out-of-home placements to be placed in their home jurisdictions.

Recommended Actions

1. Concur with Governor’s allowance.

Updates

Regulations on Allowable Uses of Restraints Under Development: Language added to the fiscal 2008 budget restricts \$100,000 of the Governor’s Office for Children (GOC) budget until provisions requiring training for employees of residential childcare programs on allowable uses of restraints are added to the core regulations governing residential childcare programs. GOC published emergency regulations for comment in the February 1, 2008 *Maryland Register* and hopes to publish the Notice of Final Actions in the March 28, 2008 *Maryland Register*.

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Governor's Office for Children

Operating Budget Analysis

Program Description

The Governor's Office for Children (GOC) promotes the State's vision for a stable, safe, and healthy environment for children and families. GOC conducts work needed to accomplish the Three-year Children's Plan including developing of interagency policies to carry out the plan and promoting efficient interagency use of federal and State funds. GOC also facilitates the work of the Maryland Children's Cabinet and promotes child well-being by:

- using results and indicators in planning, decision making, and evaluation;
- partnering with the local management boards;
- using data and technology (State Child, Youth, and Family Information System) to continuously evaluate and measure outcomes;
- advancing integrated systems of care; and
- ensuring fiscal accountability.

The key goals of GOC are to:

- lead interagency policy formulation that promotes stable, safe, and healthy environments for children and families;
- partner with Local Management Boards to increase the capacity of communities to meet the specific needs of their jurisdictions' children and families;
- advance the development of integrated systems of care that are child-centered and family focused, individualized, culturally and linguistically competent, and community-based;
- use data and technology to continuously monitor and evaluate outcomes; and
- improve the fiscal efficiency and accountability of programs that serve children and families, particularly those funded through the Children's Cabinet Interagency Fund.

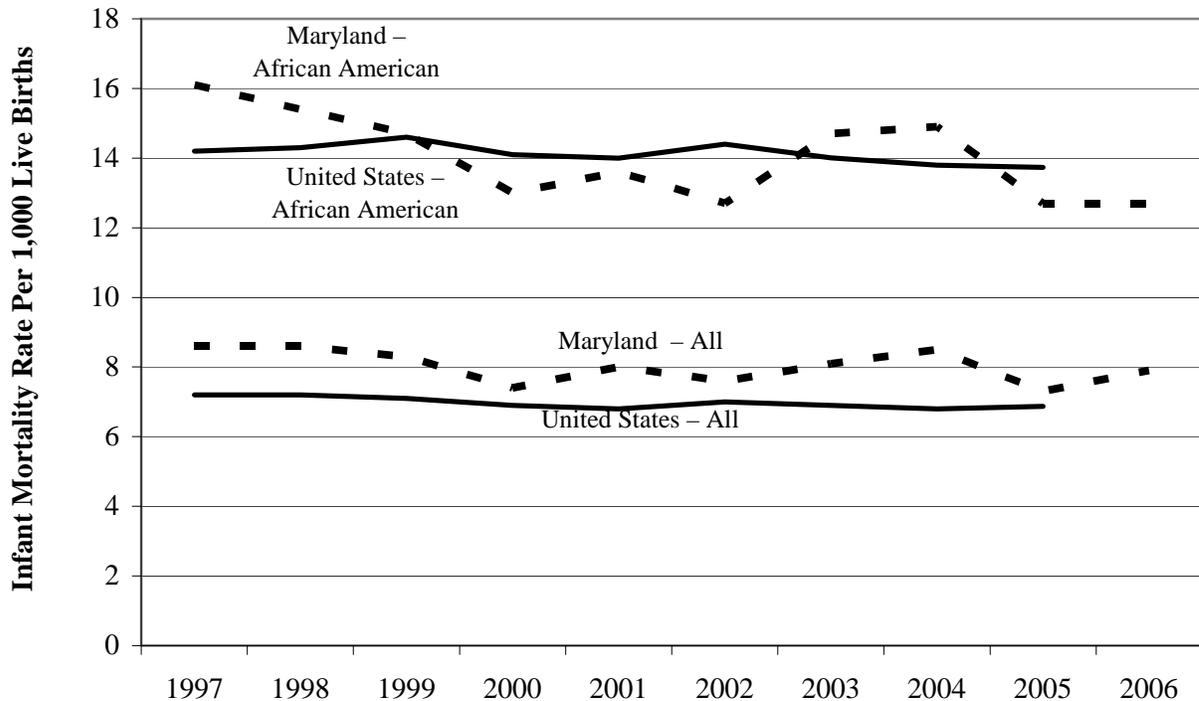
Performance Analysis: Managing for Results

Maryland’s Babies Will Be Born Healthy

Infant Mortality Rate

Exhibit 1 compares the infant mortality rates for Maryland and the United States both in total and for African American babies. The total Maryland infant mortality rate has fluctuated slightly since calendar 1997 and has slightly exceeded the rate for the United States as a whole during this period. The infant mortality rate for Maryland African American babies trended downward from calendar 1997 to 2002 but then increased for two years before falling again in calendar 2005.

Exhibit 1
Infant Mortality Rate
Maryland and the United States
Calendar 1997-2006

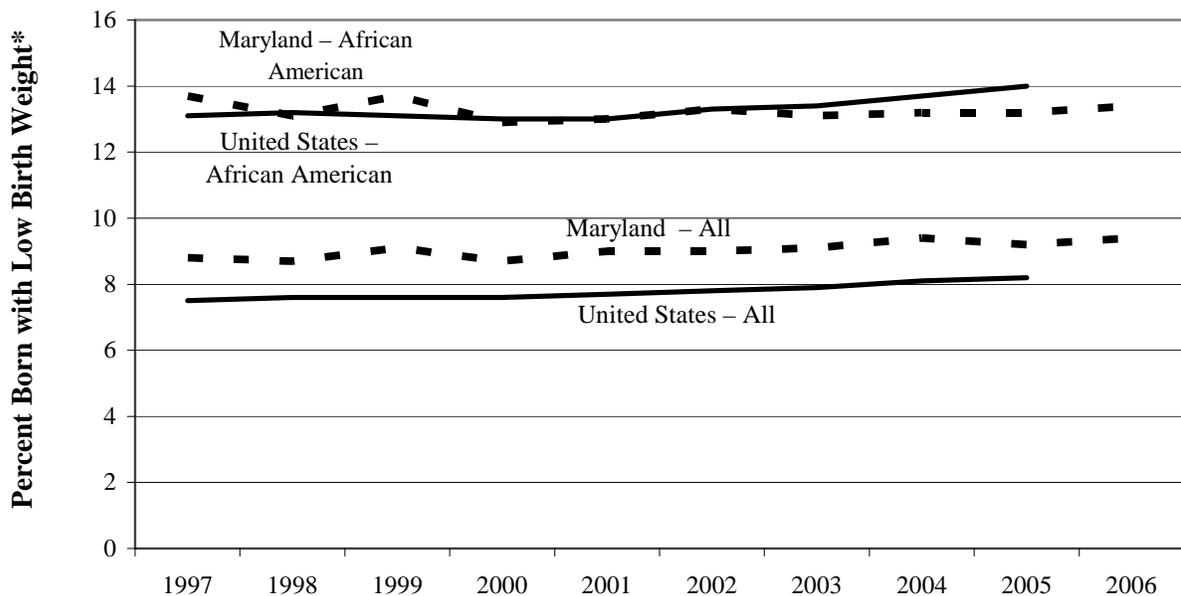


Source: *Maryland Vital Statistics Annual Report, 2006; National Vital Statistics Reports, Vol. 56, No. 10*

Low Birth Weight Babies

Exhibit 2 compares low birth weight babies for Maryland and the United States both in total and for African American babies. The percent of babies born with low birth weight (less than 2,500 grams, or 5.51 pounds) in Maryland as a whole has fluctuated slightly since calendar 1997 but has exceeded the rate for the United States as a whole for this entire period. The percentage of low birth weight African American babies in Maryland has also fluctuated since 1997 and has exceeded the United States rate for African American babies twice in the last nine years.

Exhibit 2
Low Birth Weight Babies
Maryland and the United States
Calendar 1997-2006



*Measures the percent of births less than 2,500 grams (5.51 pounds).

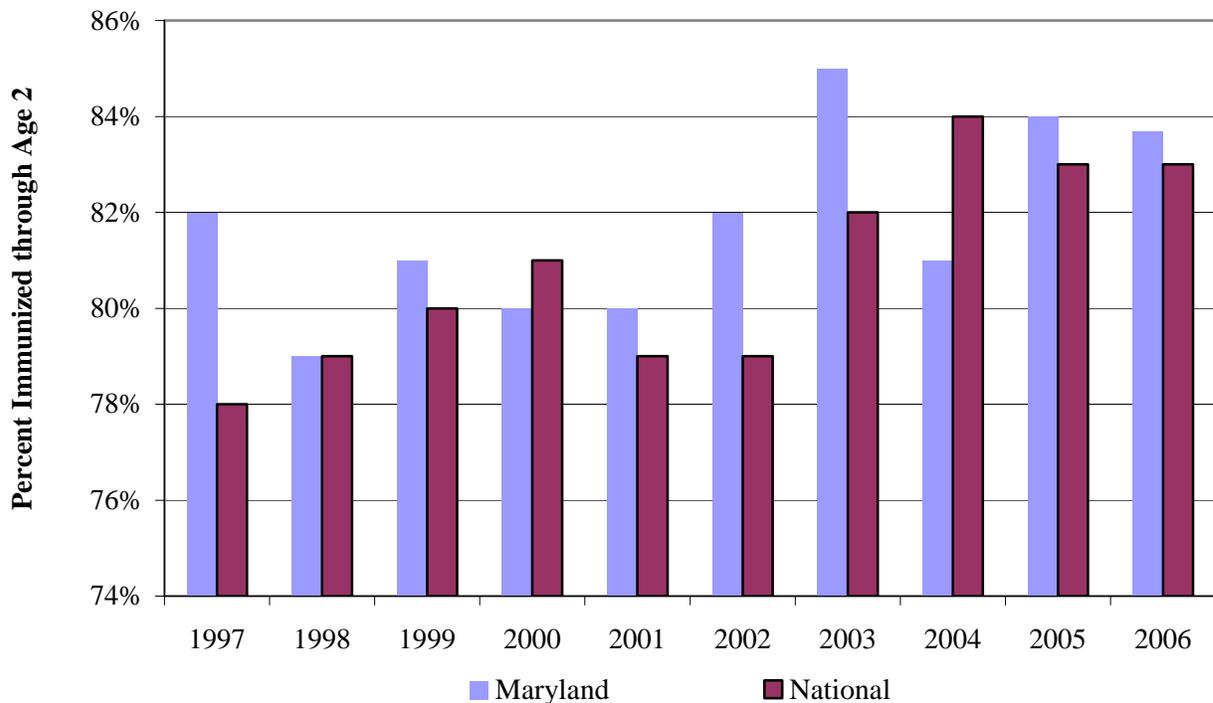
Source: *Maryland Vital Statistics Annual Report, 2006; National Vital Statistics Reports, Vol. 56, No. 6*

Maryland’s Children and Youth Will Be Healthy

Children Fully Immunized through Age Two

Exhibit 3 compares the percentage of Maryland children aged 15 to 35 months that are fully immunized with the United States rate. Maryland has generally fared well in this comparison having lagged the United States rate in only 2 of the past 10 years.

Exhibit 3
Percentage of Children Immunized through Age Two
Calendar 1997-2006



Source: *Maryland’s Results for Child Well-Being, 2007; The National Immunization Survey, 2006*

Fiscal 2008 Actions

Impact of Cost Containment

One Administrator II position was abolished in the fiscal 2009 allowance as a cost containment measure. The position was intended to provide fiscal support.

Governor’s Proposed Budget

As shown in **Exhibit 4**, the budget for the Office for Children increases by \$166,000. The majority of the increase is in personnel related expenses. With the exception of rent, the remaining areas of the office’s budget decrease as part of the general effort to contain costs.

Exhibit 4
Governor’s Proposed Budget
Governor’s Office for Children
(\$ in Thousands)

How Much It Grows:	<u>General Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
2008 Working Appropriation	\$1,566	\$1,048	\$366	\$2,980
2009 Governor’s Allowance	<u>2,104</u>	<u>1,042</u>	<u>0</u>	<u>3,146</u>
Amount Change	\$538	-\$6	-\$366	\$166
Percent Change	34.3%	-0.6%	-100.0%	5.6%

Where It Goes:

Personnel Expenses

Health insurance – reduce long-term Other Post Employment Benefits liability	\$77
Increments and other compensation	76
Health insurance – pay-as-you-go costs	64
Reduce turnover from 3.76% to 3.00%	9
Employee retirement/deferred compensation	3
Abolished Administrator II position	-57
Other fringe benefit adjustments.....	2

Other Changes

Rent paid to the Department of General Services.....	42
Reduced out-of-state conference travel	-7
Reduced instate travel.....	-8
Eliminate food service for meetings hosted by office	-10
Reduced data processing contractual services due to managing computer network in-house.....	-10
Reduced postage, telecommunications, and cell phone expenditures	-11
Other	-5
Total	\$166

Note: Numbers may not sum to total due to rounding.

Issues

1. Resource Plan for Out-of-home Placements Highlights Need for Resource Development in Underserved Areas of the State

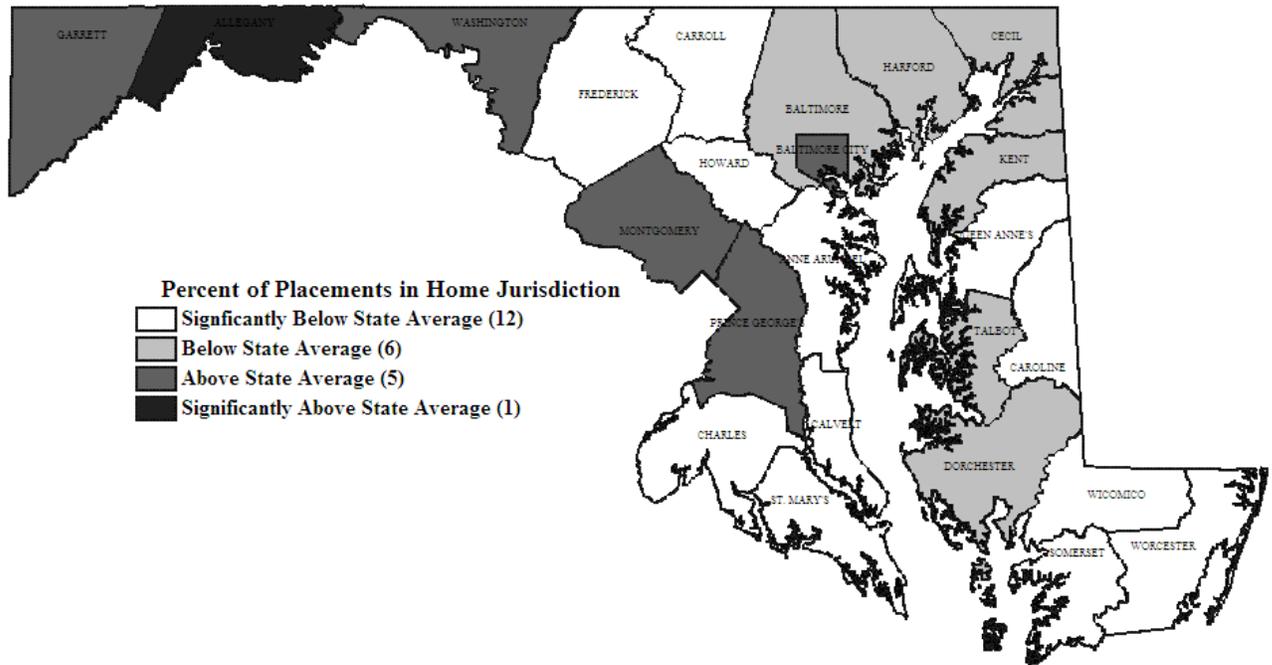
On October 1, 2007, GOC issued the second annual Resource Plan for Out-of-home Placements as required by statute. The purpose of the report is to inventory and document the out-of-home placement resources available in the State and the needs for placements across the State so that additional resources can be developed where needed. The report uses broad categories to describe the types of out-of-home placements:

- Family Foster Care – includes kinship care, foster care, treatment foster care, and individual family home care;
- Community-based Residential Placement – includes independent living and group homes;
- Non-community-based Residential Placement – includes residential treatment centers, education facilities, psychiatric respite programs, juvenile detention and commitment centers, juvenile wilderness programs, and long-term care facilities for substance abuse treatment; and
- Hospitalization – includes general hospitalization, psychiatric hospitalization, and intermediate care facilities for substance abuse treatment.

The report uses data from a single day count on January 30, 2007, and analyzes the placements of the 11,718 children in out-of-home placements.

One of the goals in managing out-of-home placements is to maintain children in their own communities near family and friends. Maintaining children in their own communities facilitates reunification and allows children to maintain connections with friends, teachers, counselors, and other members of the community that have an interest in the welfare of children removed from their homes. A broad measure of resource sufficiency is the percent of children in out-of-home placements that have placements in their home jurisdiction. Statewide, 59% of children were placed in their home jurisdictions (for purposes of this analysis, children whose placements were out-of-state or of unknown jurisdiction were excluded). However, there was significant variation among jurisdictions, ranging from a low of 12.7% (Worcester) to a high of 85.6% (Allegany). **Exhibit 5** compares Maryland’s jurisdictions for this measure in relation to the State average.

Exhibit 5
Home Jurisdiction Placements
Compared to the State Average



Note: Based on all agency out-of-home placements on January 30, 2007, but excludes 466 placements for which the placement jurisdiction was unknown, the bulk of which were from Baltimore City; 454 out-of-state placements, the bulk of which were from Baltimore City; 63 placements of out-of-state children; and 11 placements for which the home jurisdiction was unknown.

Source: *State of Maryland Resource Plan for Out-of-Home Placements*, October 1, 2007

Exhibit 5 clearly shows the lack of capacity on the Eastern Shore, Southern Maryland, and Central Maryland (with the exception of Montgomery County, Prince George’s County, and Baltimore City.) The percent of children placed in their home jurisdiction is not simply a matter of the number of placements available in each jurisdiction. In some cases, jurisdictions do not have the needed services for some placements (e.g., non-community-based residential or hospital.) In other cases, children hosted from other jurisdictions, particularly Baltimore City, use available placements which then leads to out-of-jurisdiction placements, even though a jurisdiction may have more placement slots than it has children in placements. **Exhibit 6** compares the number of children placed by jurisdiction with the number of children hosted and shows that while Baltimore City hosts more children than any other jurisdiction, it also sends more children to other jurisdictions.

Exhibit 6
Number of Placements v. Placements Hosted by Jurisdiction
As of January 30, 2007

	<u>Number of Children Placed</u>	<u>Number of Children Hosted</u>	<u>Hosting Surplus/Deficit</u>
Allegany	136	312	176
Anne Arundel	370	386	16
Baltimore City	6,631	4432	-2,199
Baltimore	864	1899	1,035
Calvert	98	38	-60
Caroline	74	55	-19
Carroll	115	149	34
Cecil	104	74	-30
Charles	147	120	-27
Dorchester	59	104	45
Frederick	247	166	-81
Garrett	52	130	78
Harford	318	256	-62
Howard	127	144	17
Kent	42	54	12
Montgomery	756	865	109
Prince George’s	747	926	179
Queen Anne’s	40	46	6
St. Mary’s	72	33	-39
Somerset	60	19	-41
Talbot	44	71	27
Washington	293	382	89
Wicomico	179	128	-51
Worcester	69	9	-60
State Total	11,644	10,798	-846

Note: The number of children placed excludes children from out-of-state (63) and children for which the home jurisdiction was not known (11) The number of children hosted includes placements of children from out-of-state.

Source: *State of Maryland Resource Plan for Out-of-Home Placements*, October 1, 2007

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Based on these and other considerations, the resource plan report makes the following general recommendations for improving out-of-home placements:

- when possible, and appropriate, children should be given preference for placements within their home jurisdiction over children from other jurisdictions;
- an emphasis should be made on placing children and youth, including older youth and those with specialized needs, in family-like settings;
- children and youth should be served in-state, with out-of-state placements used only as a last resort or when the placement will allow the child to be placed with a family member or family friend or in greater proximity to their home than an available in-state placement;
- the State should support the Department of Human Resources’ Place Matters initiative;
- the State should implement the recommendations of Ready by 21TM as is feasible and appropriate to ensure adequate services and resources for youth in out-of-home placements and those aging out of care;
- the State should evaluate the feasibility of expanding community-based services, such as respite and wraparound, as well as evidence-based practices, including functional family therapy, multi-systemic therapy, and brief strategic family therapy; and
- the State should support the Department of Juvenile Services’ strategic plan, particularly as it relates to reducing reliance on out-of-state placements.

In response to the first out-of-home placement report, issued in 2006, resource development funding of \$1.5 million was included in the fiscal 2007 budget for the Children’s Cabinet Interagency Fund to develop group home resources in Baltimore City and on the Eastern Shore, to provide group home impact services for Baltimore County, and to fund implementation of the Outcomes Monitoring System. This funding was not continued in fiscal 2008, and no additional funds are provided specifically for resource development in the fiscal 2009 allowance. **GOC should comment on efforts to develop resources in underserved areas of the State and the manner in which these efforts are to be funded given the lack of specific funding for these efforts.**

Recommended Actions

1. Concur with Governor’s allowance.

Updates

1. Regulations on Allowable Uses of Restraints Under Development

Language added to the fiscal 2008 budget for GOC restricts expenditure of \$100,000 until provisions requiring training for residential childcare program employees on allowable uses of restraint have been added to the core regulations governing residential childcare programs. GOC indicates that the emergency regulations were published for comment in the February 1, 2008 *Maryland Register* and that it hopes to publish the Notice of Final Actions in the March 28, 2008 *Maryland Register*.

Current and Prior Year Budgets

Current and Prior Year Budgets Governor’s Office for Children (\$ in Thousands)

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2007					
Legislative Appropriation	\$1,623	\$0	\$250	\$285	\$2,158
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	4	0	0	0	4
Reversions and Cancellations	-39	0	-153	-12	-204
Actual Expenditures	\$1,587	\$0	\$97	\$272	\$1,957
Fiscal 2008					
Legislative Appropriation	\$1,541	\$0	\$1,048	\$366	\$2,955
Cost Containment	0	0	0	0	0
Budget Amendments	25	0	0	0	25
Working Appropriation	\$1,566	\$0	\$1,048	\$366	\$2,980

Note: Numbers may not sum to total due to rounding.

Fiscal 2007

The fiscal 2007 budget for GOC closed out \$200,635 lower than the legislative appropriation. General funds decreased by \$35,687 comprising an increase of \$19,539 for a general salary increase offset by a transfer of \$234 to the Department of Budget and Management to help fund a salary study; a decrease of \$15,781 as part of the cost containment reductions resulting from a hiring freeze and realization of excess health insurance savings; and the reversion of \$39,211 resulting from higher than anticipated turnover.

Federal funds decreased by \$152,560 representing a cancellation of that amount for a pass through grant to Baltimore City for a One-stop Family Resource Center. This grant now goes directly to Baltimore City.

Reimbursable funds decreased by \$12,000 representing general savings in travel and contractual services.

Fiscal 2008

The fiscal 2008 budget for GOC increased by \$25,000 by budget amendment for the general salary increase.

Audit Findings

Audit Period for Last Audit:	January 1, 2005 – January 16, 2007
Issue Date:	October 2007
Number of Findings:	0
Number of Repeat Findings:	0
% of Repeat Findings:	n/a
Rating: (if applicable)	n/a

Note: This audit covered multiple units of the Executive Department. None of the findings are related to the Governor’s Office for Children.

**Object/Fund Difference Report
Governor's Office for Children**

<u>Object/Fund</u>	<u>FY07 Actual</u>	<u>FY08 Working Appropriation</u>	<u>FY09 Allowance</u>	<u>FY08-FY09 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	19.00	21.50	21.50	0	0%
Total Positions	19.00	21.50	21.50	0	0%
Objects					
01 Salaries and Wages	\$ 1,442,722	\$ 1,710,804	\$ 1,885,242	\$ 174,438	10.2%
03 Communication	53,237	67,347	55,904	-11,443	-17.0%
04 Travel	29,382	43,400	30,439	-12,961	-29.9%
07 Motor Vehicles	998	7,170	4,272	-2,898	-40.4%
08 Contractual Services	77,346	70,400	50,669	-19,731	-28.0%
09 Supplies and Materials	13,556	14,000	14,250	250	1.8%
10 Equip. – Replacement	33,968	10,749	18,900	8,151	75.8%
11 Equip. – Additional	4,677	5,713	0	-5,713	-100.0%
12 Grants, Subsidies, and Contributions	297,440	1,048,022	1,042,088	-5,934	-0.6%
13 Fixed Charges	3,561	2,750	44,189	41,439	1506.9%
Total Objects	\$ 1,956,887	\$ 2,980,355	\$ 3,145,953	\$ 165,598	5.6%
Funds					
01 General Fund	\$ 1,587,063	\$ 1,566,355	\$ 2,103,865	\$ 537,510	34.3%
05 Federal Fund	97,440	1,048,022	1,042,088	-5,934	-0.6%
09 Reimbursable Fund	272,384	365,978	0	-365,978	-100.0%
Total Funds	\$ 1,956,887	\$ 2,980,355	\$ 3,145,953	\$ 165,598	5.6%

Note: The fiscal 2008 appropriation does not include deficiencies.